
TRENDS IN
TELECOMMUNICATIONS
PRICES
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ANACOM



AUTORIDADE
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Trends in telecommunications prices¹

Summary

- In October 2016, telecommunications prices in Portugal¹ increased by 0.74 percent versus the previous month (versus no change in October 2015). The increase results from changes in the mobile Internet tariffs of two leading providers (for example, one of these tariffs increased by 1 euro or 3.7 percent) and from the increase in the monthly subscription charge of a premium channel offered by various providers (between 1 euro and 1.60 euros or +4 and +6 percent).

In year-on-year terms, the increase in prices (2.42 percent) was the 8th highest among the sectors of the Portuguese economy.

On average annual terms, prices increased by 2.63 percent, 2.05 percentage points over inflation (0.57 percent). The increase in prices was the 7th highest among the 43 products/services considered.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates above the rate of change reported in CPI.

- On average annual terms, Portugal reported the third highest increase in prices in the EU in October 2016. On average, telecommunications prices¹ in the EU fell by 0.04 percent.

Since March 2011, telecommunications prices¹ have increased more in Portugal than in the EU. However, the difference has been narrowing since February 2016.

¹ "Telephone, telegraph and telefax services" sub-index of the Consumer Price Index (CPI) and of the Harmonised Indices of Consumer Prices (HICP), which comprises voice, Internet and subscription TV (STV) services acquired on a stand-alone basis or as part of a bundle of services. The price analysis presented here should be taken alongside an assessment of the offer characteristics – see information available in the reports "Bundles of electronic communications services", "Telephone service at a fixed location and nomadic VoIP", "Mobile services", "Internet access service" and "Subscription television service", all available on ANACOM's website

1. Trends in telecommunications prices¹ - October 2016

According to INE (Statistics Portugal)², in October 2016, telecommunications prices in Portugal increased by 0.74 percent over the previous month (unchanged in October 2015). The increase results from changes in the mobile Internet tariffs of two leading providers (for example, one of these tariffs increased by 1 euro or 3.7 percent) and from the increase in the monthly subscription charge of a premium channel offered by various providers (between 1 euro and 1.60 euros or +4 and +6 percent)¹.

Versus October 2015, telecommunications prices¹ increased by 2.42 percent, while increasing by 2,63 percent on average over the last twelve months.

Table 1 - Change in Consumer Price Index (CPI) and in telecommunications prices¹

	Year-on-Year change	October 2016 Average change 12 months	Change versus prior month	2015 Average change 12 months
CPI	0.88%	0.57%	0.34%	0.49%
Telecommunications ¹	2.42%	2.63%	0.74%	3.90%
Ranking in descending order (43 groups)	8	7	14	6

Source: INE (Statistics Portugal)

Unit: %

On a year-on-year basis, the increase in prices (2.42 percent) was the 8th highest among the various sectors of the Portuguese economy. The difference between this increase and the change in CPI was reported at 1.53 percentage points.

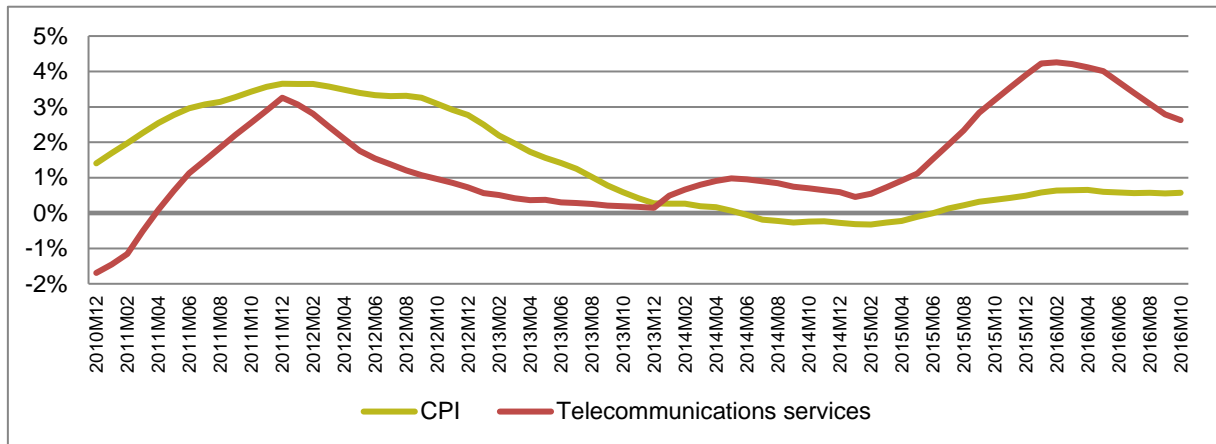
On average terms, the annual increase in prices reported (2.63 percent) was the 7th highest among the 43 products/service considered.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates above the rate of change reported in CPI. Since February 2016, the difference

² See "Consumer Price Index – October 2016" (INE – Statistics Portugal, 2016), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=249873007&DESTAQUESmodo=2

between the two rates has been narrowing and in October 2016, the difference was reported at 2.05 percentage points.

Graph 1 - Average 12-month change in CPI and telecommunications prices¹



Source: INE (Statistics Portugal)

Unit: %

2. Trends in telecommunications prices¹ in the EU³ October 2016

According to EUROSTAT⁴, in October 2016, the increase in prices in average annual terms reported in Portugal was 2.67 percentage points above the EU average³. On average annual terms, Portugal reported the third highest increase in prices in the EU. The two countries with larger increases were Slovenia and Belgium.

In relation to October 2015, the increase in telecommunications prices¹ in Portugal is the 6th largest in the EU.^{5,3}

³ Information for Ireland, Sweden and United Kingdom not available. Information available from December 2015 for Malta and Netherlands.

⁴ See HICP - monthly data (EUROSTAT, 2016), available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

Methodology described at

http://ec.europa.eu/eurostat/statistics-explained/index.php/HICP_methodology

⁵ Larger increases were reported in Belgium, Finland, Slovenia, France Spain and Latvia.

Table 2 – Change in telecommunications price 1: Portugal vs EU ³

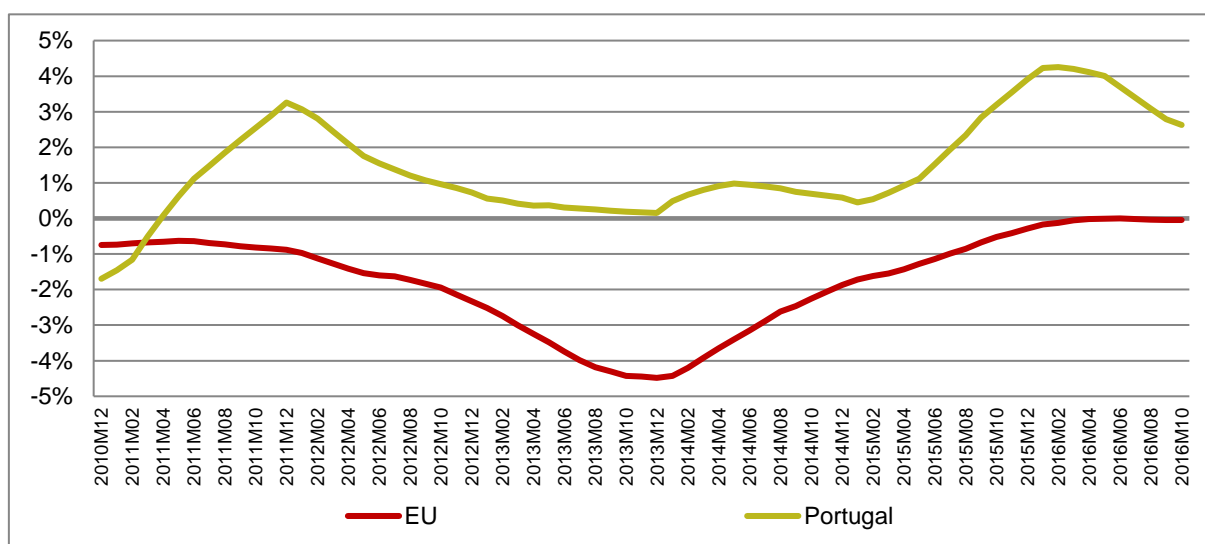
	October 2016			2015
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
EU ³	0.13%	-0.04%	0.08%	-0.28%
Portugal	2.42%	2.63%	0.74%	3.90%
PT / EU difference ³	2.29 p.p	2.67 p.p	0.66 p.p	4.19 p.p
<i>Ranking in descending order (23 countries)</i>	6	3	2	1

Unit: %, p.p.

Note: Information for Ireland, Sweden and United Kingdom not available. Malta and Netherlands are not included in the ranking due to a lack of available information before December 2015.

Since March 2011, telecommunications prices¹ have risen more in Portugal than in the EU³ (in terms of average annual change). However, the difference has been narrowing since February 2016.

Graph 2 – Average rate of change over previous twelve months - telecommunications prices: Portugal vs EU³



Source: INE (Statistics Portugal)

Unit: %

Note: From the publication, by EUROSTAT, on 25 February 2016, of data for January 2016, the reference year of the HICP series was changed from 2005 to 2015. There may be differences in the series due to rounding effects. For more information, see <http://ec.europa.eu/eurostat/documents/272892/272971/HICP+reference+year+2015%3D100/>.

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